Cash Less Payments

The use of electronic payment mechanisms is on the rise and is poised for significant growth in the country after the decision of Government of India to demonetize ₹500 and ₹1000 currency notes. The ecosystem of electronic payment mechanisms includes various elements like ePOS machines, internet banking, mobile currency, SMS banking, mobile apps, etc. It is important to understand these different payment mechanisms in order to use them in an efficient and secured manner. This note gives information about different electronic payment mechanisms.

Considering that the penetration of mobile phones and bank accounts has reached villages, day to day transactions can be made through mobile banking so that the inhabitants of the village will purchase grocery, milk, rice, wheat flour etc., through smart banking without worrying about cash. It may be noted that necessary charges are deducted by the merchant bank, customer bank and the payment gateway.

The most prominent smart banking facilities are:
- i) ePOS Machine(for card based payments)
- ii) SMS Banking (For feature phones)
- iii) Internet Banking (for computers)
- iv) Through App (Requires Smart Phone)

i) ePOS

Through POS terminal, we can transfer amount to merchant's account using debit card or credit card and a pin to grant transfer.

There are various types of terminals available, although most have the same basic purpose and functions. They allow a customer to insert, swipe the credit/debit card to transmit this data to the merchant service provider for authorization and finally, to transfer funds to the merchant.
All banks' Debit/Credit cards can be used for payments.

Banks need to ensure that ePOS machines are of specified standards and pilfer proof. Should not be connected to other systems. Customers should protect their PIN and banks account numbers strictly confidential.

ii)SMS Banking

Most of the people in villages have normal keypad phones. SMS banking is one simple method through which payments can be made. This is very convenient for places where Internet connectivity is not available. Users have to be alerted to keep their mobile phones and PIN numbers in strict confidence.

Requirements:
* Everyone's bank account is linked with his respective mobile number,
* The bank should support SMS Banking through IMPS fund transfer. Most of the banks have this feature and have their own format for SMS.

If the villager is an SBI customer, they can use SMS Banking through IMPS as follows:

<IMPS><Mobile No> <MMID> <amount><user ID><MPIN><Purpose (optional field upto 20 char Alpha numeric)>

*IMPS: Immediate Payment Service   *MMID: Mobile Money Identifier

Similarly there are formats to transfer money to bank account or to a registered merchant. The maximum amount that can be transferred in a day, and recovery of wrong remittances are specific to the banks whose service is being used.

Features are also available for finding out the balance in account and last few transactions made.

ii)   Internet Banking

Immediate money transfer through internet banking website of the bank the customer has account with. There are different modes of transfer like NEFT, RTGS, IMPS.
Funds can be transferred using IMPS immediately.

Requirements

- Customer should apply for internet banking to obtain Username and password.
- Customer should register beneficiary through Internet banking. Banks have different cooling periods for registering the beneficiaries.
- The per day limit per customer is normally sufficient for doing transactions.
- Customer should login into his account to transfer money to other person using the details of IFSC code and Account Number.

iii)   Through App (Requires Smart Phone)

Immediate money transfer through mobile device round the clock 24*7 and 365 days.

a)Unified Payments Interface (UPI) is a system that powers multiple bank accounts (of participating banks) for:

- Single mobile application for accessing different bank accounts
- Single Click 2 Factor Authentication.
- Virtual address of the customer for Pull & Push provides for incremental security with the customer not required to enter the details such as Card no, Account number; IFSC etc.
- Bill Sharing with friends, Merchant Payment with Single Application or In-App Payments., Utility Bill Payments, Over the Counter Payments, Barcode (Scan and Pay) based payments, Donations, Collections, Disbursements Scalable.
- Raising Complaint from Mobile App directly.

Requirements:
- The App must be installed in the smart phone
- User needs to register for UPI

a)Bank Specific apps

SBI eBuddy (SBI), Andhra Bank- mPay (Andhra Bank), iMobile (ICICI)

Requirements:
- The App must be installed in the smart phone.
- User has to link his bank account to the app.

b) Wallet Banking Apps

PayTM, Freecharge, Mobikwik, OxigenWallet, JioMoney, Citrus Wallet etc.. are wallet banking applications. PayTM is the most popular wallet application using which fund transfer can be made.

Requirements:
- The App must be installed in the smart phone
- The wallet must be loaded with money using credit/debit card/net banking.

Safe way to transact using mobile/Internet for banking

- ✓ Use official apps
  - Download and use app only from Google playstore for android phones
  - Download and use app only from Appstore for ios phones.
- ✓ Don't click on malicious links
  - Don't click on suspicious links that you get in whatsapp, facebook, emails and SMS etc., mentioning offers and cash benefits. If you click on the link, they will steal your passwords and other important information.
- ✓ Visit only secure and verified web sites
  - Login to only the official website, provided by the banks along with Internet banking details.
  - Perform a transaction in web site only if it begins with 'https'. Please see if there is a green lock symbol before it and proceed with the transaction.

- ✓ Use social media judiciously
    - • Please do not post your personal, location and other private information on any social media.
- ✓ Be wary of unsolicited calls
    - • Never reveal any personal information to unknown people through phone or mail.

Reserve Bank of India Guidelines

- ✓ Do not disclose any account information(Account number, Credit/Debit card number, PIN, Phone Number) via unsolicited phone calls or emails asking for money or any other type of personal information.
- ✓ Do not trust any fake websites. The official website of RBI is at https://rbi.org.in
- ✓ Do not trust fictitious offers of large sum of money/lottery winnings by email or SMS or through phone calls by posing as RBI official.
- ✓ Do not trust offer of employment in the Reserve Bank through email.
- ✓ The Reserve Bank does not have any mobile app with the title 'All Bank Balance Enquiry No'.
- ✓ Do not trust Multi-level Marketing (MLM) activities.
- ✓ RBI does not carry out any business with an individual, whether through savings bank account, current bank account, credit card, debit card, online banking services or receiving and holding funds in foreign exchange or any other form of banking services
- ✓ Register a complaint with the local police/cyber crime authorities when you receive fictitious offers of money from abroad or if they are victims of such offers.